

State of Maryland
FY 2009 Furlough and Temporary Salary Reduction Plan

Frequently Asked Questions

What is a furlough?

A furlough is the placement of an employee in a temporary non-duty, non-pay status for budget-required reasons.

A furlough may be taken on an employee's regularly scheduled workday in increments as small as four hours.

What purpose does a furlough serve?

A furlough permits the State to continue essential public services and functions while saving funds necessary to balance the State budget. Furloughs are preferable to massive layoffs.

What is a "temporary salary reduction"?

A temporary salary reduction is an across-the-board adjustment to affected rates of pay for a specified period of time.

Is a furlough the same as a temporary reduction in salary?

No. A furlough is the placement of an employee in a temporary non-duty, non-pay status for budget-required reasons. A temporary reduction in salary, in the context of the State's FY 2009 Furlough and Temporary Salary Reduction Plan (the Plan), will result in a temporary adjustment to affected rates of pay in the State salary schedules for employees subject to the Plan.

Combining furloughs with a temporary reduction in salaries will permit the State to realize significant cost-savings while lessening the impact of such measures by spreading them out over a period of time.

When will the FY 2009 Furlough and Temporary Salary Reduction Plan be in effect?

A temporary reduction in salaries will occur over ten pay periods, starting with the pay period that begins on February 11, 2009 (pay date March 4, 2009) and ending on June 30, 2009 (pay date July 8, 2009).

For employees required to take eight or more furlough hours, these furlough hours may be taken with supervisory approval between January 14, 2009 and June 30, 2009, in increments as small as four hours.

Is the State “shutting down” on December 26, 2008 and January 2, 2009?

No. Routine State operations will be significantly reduced to permit the State to achieve additional cost savings over these two holiday weekends. Therefore, employees who work a standard workweek will be granted Administrative Leave on these two days.

If an employee had been granted Administrative Leave on these two days for any other reason (such as those State employees who work in a county building that is closed on these days), the employee will not be granted two additional days of Administrative Leave for these days.

What if an employee is required to work on December 26, 2008 and January 2, 2009?

If an employee is called to work on one of these two days, the employee will be paid for the time worked and the employee will be granted an amount of administrative leave equal to the amount of time worked, to be used before July 1, 2009.

How is it determined which employee(s) will be subject to furlough?

Determinations will be made by the Secretary of Budget and Management based on the nature of work. Direct care employees in health, juvenile services, and correctional facilities; police officers employed by the State at the rank of first sergeant or below, except those in administrative or clerical positions; employees who secure and maintain State facilities on a 24 hour per day basis; and other employees who work on a shift schedule providing services as part of a 24-hour operation will be exempted from the furlough. Examples of such employees may include: toll collectors, certain police and correctional officers, and fire fighters.

Will part-time employees and contractual employees be affected by a furlough?

Yes, both part-time employees and contractual employees will be required to take furlough hours. Part-time employees will be required to take furlough hours on a pro-rated basis, based on their regular rate of pay as of January 14, 2009.

Will new hires be affected by the furlough?

Anyone who is hired during the furlough period may be required to participate in the furlough. The number of hours that the employee will be furloughed is determined by the employee's salary as of January 14, 2009 and will be pro-rated based on the hire date.

How will it be determined how many hours each employee must be furloughed?

The number of furlough hours taken by an employee will be determined by gross annual salary, not including overtime or shift differentials. In order to determine how many furlough hours an employee will be required to take, the salary figure that should be used is the rate of regular pay that the employee receives on January 14, 2009.

This means that an employee receiving acting capacity pay will not have furlough days determined based on the employee's acting capacity pay rate. Furlough time for employees receiving acting capacity pay will be based on the employee's regular rate of pay, not the employee's acting capacity pay rate.

Furlough time for part-time and contractual employees is addressed below.

May an employee substitute eight furlough hours for a paid holiday or a pre-scheduled holiday?

No, paid holidays may not be used as furlough days.

May employees use furlough hours on a scheduled day off due to a compressed workweek schedule?

No. Employees on an alternate work or compressed workweek schedule must schedule furlough hours on regularly scheduled work days. Work schedules may be adjusted to accommodate the scheduling of furlough hours.

Will the Plan affect an employee's health benefits?

No. The employer and employee share of health benefits premiums will remain the same during the time frame that the Plan is in effect. The State will continue to make the same premium contribution and an employee's deductions will be processed in the normal fashion for any week in which an employee has a furlough day.

Rarely, due to other factors such as a period of unpaid leave unrelated to the furlough, an employee may not receive a paycheck with sufficient funds to cover the employee's portion of the benefit deductions. In such cases, the agency should treat this matter as it would any other no-pay situation.

Does the Plan have any impact on my retirement benefits?

This issue is addressed by Section H in the Executive Order. Furlough days do not impact retirement benefits. Furlough time is included in the calculation of earnable compensation and service credits. With regard to the temporary two-day equivalent salary reduction, the Administration will sponsor legislation to ensure that it will not impact on retirement benefits.

Will an employee's leave accrual rates be affected by the Plan?

No. Neither a furlough nor a temporary salary reduction will have any impact on leave accrual rates.

How will the Plan impact an employee who is on Family and Medical Leave Act (FMLA) qualifying leave?

Typically, an employee on FMLA-qualifying paid leave will not be required to take furlough hours during the absence. Once the employee has exhausted paid leave, furlough hours may be taken concurrent with unpaid FMLA-designated leave.

If an employee's FMLA-qualifying leave is scheduled to end after June 30, 2009, the employee may be required to substitute furlough hours for paid leave during the FMLA-qualifying period of absence.

Can an employee on paid military leave be scheduled for furlough?

No. Employees on paid military leave may not be scheduled for furloughs but may be furloughed if returning to full duty prior to June 30, 2009.

Can an employee work overtime in a week in which the employee takes furlough hours?

No. Furlough time is considered work time for the purposes of calculating eligibility for overtime. Therefore, supervisors should not permit an employee to work overtime in a week in which furlough time is taken. Permitting an employee to earn overtime during a week in which the employee takes furlough hours would reduce the savings achieved by the furlough.

May an employee substitute paid leave (annual, personal or sick leave, or compensatory time) for furlough hours?

No. An employee may not substitute paid leave or compensatory time earned for furlough hours.

May an employee request a furlough day before or after a paid State holiday or in conjunction with paid leave?

Yes, an employee may request to take furlough hours before or after a paid State holiday and this will not affect payment for the holiday. Additionally, an employee may take furlough hours in conjunction with other forms of paid leave.

May an employee work when scheduled off due to the furlough?

An employee may not work when scheduled off due to the furlough. In the event of an emergency, the employee's appointing authority may revoke a furlough day and the employee shall be paid for work performed on that day. However, the employee will be required to take the furlough on some other day prior to June 30, 2009.

May an employee take off partial days or does furlough time have to be taken in full-day increments?

An employee may take furlough time in increments of four hours.

How does an employee effectuate a request to take the required furlough time off?

In order to maximize coverage and ensure uninterrupted service, each employee should obtain supervisory approval to take off in the same manner that an employee would for any other absence.

What will happen if an employee fails to make a request to take the required number of furlough hours?

If, within a time frame required by a supervisor, an employee does not submit a request for specific time off to be counted toward the employee's required number of furlough hours, the supervisor may schedule an employee for the appropriate number of furlough hours and require that the employee be off work in a non-pay status for that time.

What happens if a person leaves State service during the period January 14, 2009 and June 30, 2009, before taking the appropriate number of furlough hours?

If an employee leaves State service during this period, no action is necessary to recoup any remaining reduction in pay or furlough hours.

May an employee receive unemployment benefits to cover the loss of compensation due to the furlough or temporary salary reduction?

We do not expect that any employee will be eligible to receive unemployment benefits to cover the loss of compensation as a result of the furlough or the temporary salary reduction.

Does an employee have grievance rights regarding the furlough or temporary salary reduction?

Neither the placement of an employee on a furlough nor a temporary salary reduction gives rise to any grievance or appeal rights.